

Errors in Public Service Superannuation Account pension and contribution calculations (Paragraph 63)

48. The Committee noted with concern that a high incidence of error has continued in the Superannuation Branch of the Department of Finance involving both overpayments and underpayments of pension on a continuing basis and also incorrect charges for contributory service. The steps that are being taken by the Department of Finance towards remedying this state of affairs were noted.

49. The Committee requests the Auditor General to keep Parliament informed as to the progress being made.

Interest charges on loans to the National Capital Commission (Paragraph 66)

50. The Committee noted that the National Capital Commission remains in the position where it is required to pay interest on loans obtained from the Government of Canada for the purpose of acquiring property in the National Capital Region, and that funds to meet the interest payments themselves must be provided through parliamentary appropriations because the property held does not yield sufficient revenue. It further noted that parliamentary appropriations may be required to provide funds through the National Capital Fund in order to pay off the amounts of the loans made.

51. Since outlays on properties such as these are expenditures of the Crown rather than income-producing investments, the Committee believes that it would be more realistic were Parliament asked to appropriate the funds in the years in which properties, which are not to be specifically held for resale, are to be acquired instead of leaving the expenditure involved in the repayment of loans to be absorbed in future years. Accordingly it recommends that the Executive review the present practice with the National Capital Commission with a view to placing the financing of the Commission on this more realistic basis.

Indirect compensation to chartered banks (Paragraph 68)

52. In considering the question as to whether or not the balances maintained by the Government of Canada with the chartered banks interest-free to the level of \$100 million constitute indirect remuneration, the Committee was assisted in its deliberations by the Deputy Minister of Finance who outlined the arrangement which has been in effect since January 1, 1957 whereby the banks pay interest to the Government of Canada on the amount by which minimum weekly balances are in excess of this sum.

53. The Committee is in agreement with the view of the Auditor General that this arrangement does constitute indirect compensation to the chartered banks and that this may be construed as being contrary to the intent of section 93(1) of the Bank Act. The Committee believes that if the banks are to be compensated for services provided to the Crown, consideration should be given to the most equitable manner in which this may be done with statutory sanction being given by means of an appropriate amendment to the Bank Act, possibly at the time of the decennial revision in 1964.

Living allowances to federally-appointed judges (Paragraph 71)

54. The Committee noted that in cases where federally-appointed judges are appointed from time to time as conciliators or arbitrators on boards, they are paid living allowances of \$60 a day in addition to actual out-of-pocket expenses for transportation, parlour and pullman car accommodation and taxicabs.

55. The Committee is of the opinion that a daily rate at this level could be regarded as including an element of remuneration which would be contrary to subsection (1) of section 39 of the Judges Act. It is therefore recommended that